GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:666
ANSWERED ON:28.07.2006
GUIDELINES FOR MONEY TRANSFER
Bishnoi Shri Kuldeep

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to revise the guidelines regarding the money transfer scheme ;

(b) if so, the details thereof; and

(c) the fresh steps taken by the Government to check unhindered transfer of money into and outside the country especially through hawala transactions?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a)&(b) Yes, Sir. With a view to streamline the procedure for Money Transfer Service Scheme (MTSS), Government has, inter-alia,approved that Scheduled Commercial Banks, Post Offices, Full Fledged Money Changers (FFMCs), being regulated entities,authorized to deal in money transfer business, will be cleared as Principal Agents directly by RBI under intimation to the Ministry of Home Affairs (MHA).Other existing & proposed entities will be permitted for being appointed as principal agents by RBI, with prior approval of MHA in accordance with its security requirements, electronic and physical preservation of records including identification documents, verification of background and antecedents of overseas principals by RBI etc.

(c) Government of India has set up Financial Intelligence Unit - India (FIU IND) as . the Central National Agency responsible for receiving, processing, analyzing and disseminating information relating to suspicious financial transactions to the Enforcement Agencies and foreign FIUs.